

Message Text

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ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 SS-20 NSC-10 INT-08 SCEM-02 SCI-06

STR-08 AID-20 CEA-02 CIAE-00 COME-00 EB-11 EA-11

FRB-02 INR-10 NEA-10 NSAE-00 RSC-01 OPIC-12 SPC-03

TRSE-00 CIEP-02 LAB-06 SIL-01 OMB-01 AGR-20 DOTE-00

DRC-01 /207 W

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R 111230Z DEC 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 6141

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS UNN

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION GENEVA

USMISSION NATO

USMISSION OECD PARIS UNN

C O N F I D E N T I A L EC BRUSSELS 7184

E.O. 11652: GDS

TAGS: ENRG, EEC

SUBJECT: CONTINUED EC COMMISSION CONCERN OVER THE OIL
SITUATION

REFS: A) EC BRUSSELS 6883; B) EC BRUSSELS 7074;

C) EC BRUSSELS 7139

1. SUMMARY. THE COMMISSION HAS CONTINUED TO STUDY THE OIL
SITUATION IN THE COMMUNITY AND TO PREPARE FOR PRESIDENT

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ORTOLI'S PARTICIPATION IN DISCUSSIONS ON ENERGY AT THE
COPENHAGEN SUMMIT MEETING. THE LACK OF COMMUNITY SOLIDARITY

HAS CAUSED CONSIDERABLE DISTRESS AMONG SENIOR COMMISSION OFFICIALS WHO ARE CONCERNED OVER ITS LONGER-TERM EFFECT ON THE COMMUNITY. BY SEPTEL WE ARE REPORTING INFORMATION GIVEN TO US BY VICE PRESIDENT SIMONET DURING A MEETING WITH UNDER SECRETARY DONALDSON ON DECEMBER 11. END SUMMARY.

2. THIS MESSAGE REPORTS INFORMATION AVAILABLE TO US PRIOR TO A MEETING ON DECEMBER 11 BETWEEN COMMISSION VICE PRESIDENT SIMONET AND UNDER SECRETARY DONALDSON. THE DISCUSSION WITH SIMONET, WHICH WE ARE REPORTING BY SEPARATE TELEGRAM, SUPPLEMENTS THIS TELEGRAM AND PROVIDES THE LATEST INFORMATION ON THE COMMISSION'S THINKING AND PREPARATIONS FOR THE SUMMIT.

3. AS REPORTED IN REF B, ALTHOUGH THE DECEMBER 3-4 EC COUNCIL MEETING DISCUSSED THE OIL SITUATION IN THE COMMUNITY AT LENGTH, IT DID NOT MAKE ANY DECISIONS. COMMISSION VICE PRESIDENT SIMONET PARTICIPATED IN THE DISCUSSION ON ENERGY AND PRESENTED TO THE MINISTERS SUGGESTIONS REGARDING POSSIBLE COMMUNITY ACTIONS BUT MADE NO FORMAL COMMISSION PROPOSALS. THE MINISTERS LISTENED TO SIMONET'S PRESENTATION WITHOUT TAKING ANY ACTION ON IT. THUS THE WHOLE MATTER WAS PUT OVER TO THE SUMMIT.

4. THE COMMISSION HAS CONTINUED TO DEVOTE A CONSIDERABLE AMOUNT OF TIME TO THE ENERGY SITUATION, BUT INFORMATION ABOUT ITS DELIBERATIONS IS STILL BEING HELD VERY CLOSELY. WE UNDERSTAND THAT COMMISSION STUDIES AND TENTATIVE PROPOSALS FOR POSSIBLE COMMUNITY ACTION COVER THE FOLLOWING:

A) IMPROVEMENT IN THE COMPILATION AND TIMELINESS OF INFORMATION REGARDING OIL SUPPLIES AND STOCKS;

B) HARMONIZATION OF OIL CONSERVATION MEASURES;

C) A COMMUNITY-WIDE SYSTEM OF POOLING AND ALLOCATING OIL SUPPLIES;

D) THE EFFECT ON PARTICULAR INDUSTRIES OF CONTINUED OIL SHORTAGES;

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E) THE EFFECT OF CONTINUING SHORTAGES ON EMPLOYMENT LEVELS AND HOW BEST TO MINIMIZE THE UNEMPLOYMENT EFFECT OF OIL SHORTAGES;

F) ALTERNATIVE ENERGY SOURCES--INCLUDING BOTH ALTERNATIVE SOURCES OF OIL SUPPLIES, AND THE POSSIBILITY OF GREATER USE OF COAL AND GAS AS SUBSTITUTES FOR PETROLEUM IN THE PRESENT CRISIS;

G) THE EFFECTS ON THE COMMUNITY OF MEMBER STATE GOVERNMENTS PURSUING THEIR OWN POLICIES, BOTH IN REGARD TO RELATIONS WITH THE PRODUCER GOVERNMENTS AND IN RELATIONS WITH THEIR EC PARTNERS, INCLUDING THE EFFECT ON THE EC OF VIOLATIONS OF OBLIGATIONS FOR THE FREE MOVEMENT OF GOODS UNDER THE EEC TREATY OF ROME;

H) THE EFFECT OF THE OIL SITUATION ON INDIVIDUAL MEMBER STATES AND HOW THEY ARE LIKELY TO AFFECT INDIVIDUAL MEMBER STATE ATTITUDES TOWARD SPECIFIC COMMUNITY POLICIES AND PROGRAMS SUCH AS THE CAP, REGIONAL POLICY AND SO FORTH.

5. THERE HAS BEEN GROWING UNEASE AND DISENCHANTMENT IN THE COMMISSION SINCE THE BEGINNING OF THE ARAB OIL CUTBACKS, ESPECIALLY THE EMBARGO AGAINST THE NETHERLANDS, OVER THE LACK OF COMMUNITY ACTION TO DEAL WITH THE SITUATION. SENIOR COMMISSION OFFICIALS ARE PARTICULARLY DISTRESSED AT THE UNWILLINGNESS OF FRANCE AND THE UK TO SUPPORT COMMUNITY SOLIDARITY IN THE FACE OF THIS CHALLENGE TO COMMUNITY UNITY AND INTEGRITY. THEY SEE THIS LACK OF SOLIDARITY AS A THREAT TO THE COMMUNITY AND ITS FURTHER EVOLUTION AND ARE BY NO MEANS CONVINCED THAT THE COPENHAGEN SUMMIT WILL RESULT IN ANY DEFINITE ACTION TO CHANGE THIS SITUATION. WE UNDERSTAND, FOR EXAMPLE, THAT LAST WEEK A GROUP OF SENIOR COMMISSION OFFICIALS MET AND THROUGH NOEL, THE SECRETARY GENERAL, URGED THAT THE COMMISSION TAKE AN INITIATIVE TO REMIND THE MEMBER STATES OF THE COMMISSION'S RESPONSIBILITIES FOR ASSURING THE CONTINUED FUNCTIONING OF THE COMMON MARKET AND TO POINT OUT THE POLITICAL AND OTHER CONSEQUENCES OF THE CONTINUED LACK OF A COMMON COMMUNITY APPROACH. GREENWALD
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTION, EMBARGOES, DIPLOMATIC DISCUSSIONS, ECONOMIC CONSUMPTION, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: hilburpw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ECBRU07184
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731232/aaaaaxry.tel
Line Count: 151
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A) EC BRUSSELS 6883; B) EC BRUSSELS, 7074;
Review Action: RELEASED, APPROVED
Review Authority: hilburpw
Review Comment: n/a
Review Content Flags:
Review Date: 06 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06-Sep-2001 by rowellE0>; APPROVED <01-Oct-2001 by hilburpw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CONTINUED EC COMMISSION CONCERN OVER THE OIL SITUATION
TAGS: ENRG, XF, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005